



STATE BOARD OF EQUALIZATION

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January 3, 1979

No. 79/4

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 1

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

We are using a new format to summarize the legislative bills. A brief analysis of the bill, action taken, date, and sections affected will be provided. Bills will be arranged by "general topic."

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814). Attached is a notice concerning the placement of such orders.

Sincerely,

Verne Walton, Chief  
Assessment Standards Division

VW:sk  
Enclosures

ACA 3

Author: Knox

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 4, 1978

Affected Reference: If approved by the voters, would add subdivision (c) to Section 2 of Article XIII A.

This measure would provide that the Legislature may determine the manner of assessing real property whenever a person or business entity relocate to such real property as a result of eminent domain proceedings.

SB 6

Author: Marks

Action: Introduced

Date: December 4, 1978

Affected Reference: Amends Section 110.6, Revenue and Taxation Code  
Urgency Measure

The definition of "change of ownership" provided in SB 2212 was scheduled for repeal on June 30, 1979. This bill would delete the June 30, 1979, date, thereby making such definition permanent.

The bill would also add an additional exclusion to the "change of ownership" definition, as follows:

"Any transfer to create a joint tenancy interest in which the transferor becomes a joint tenant with one or more individuals who are the spouse, brother, sister, lineal ancestor, or lineal issue of the transferor...."

SB 75

Author: Sieroty

Action: Introduced

Date: December 6, 1978

Affected Reference: Amends Section 110.6 of the Revenue and Taxation Code  
Urgency Measure

The definition of "change of ownership" provided in SB 2212 was scheduled for repeal on June 30, 1979. This bill would delete the June 30, 1979, date, thereby making such definition permanent.

The bill also deletes "the creation of leasehold or taxable possessory interest, or the sublease or assignment thereof, for a term in excess of 10 years" as part of the "change of ownership" definition.

SB 81

Author: Nejedly

Action: Introduced

Date: December 7, 1978

Affected Reference: Adds Section 110.7 to the R&T Code  
Urgency Measure

This bill would include as a change of ownership "any transfer of real property to an existing assessee for the sole purpose of reflecting a diminution in value of at least \$1,000 less than the full cash value shown on the assessment roll for the year in question." The reassessment procedure outlined in Section 155.1 (assessment of damaged or destroyed property in disaster areas) would be applicable.

The passage of Proposition 8 last month appears to make this bill unnecessary.

#### ACA 1

Author: Bane

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 4, 1978

Affected References: Amend Article XIII A, Section 3, subdivision (k) and effect additional changes not related to property taxation if this amendment is approved by the voters.

This measure would extend the homeowners' exemption to the full value of a dwelling when occupied by an owner or renter.

#### AB 35

Author: Bane

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 4, 1978

Affected References: Repeal Sections 16120, 29100.6, and 29100.7 of the Government Code; amend Sections 218, 6051, 6201, and 7102, add Section 6370, repeal Section 17053.5 of the R&T Code; amend Section 30 of Chapter 1207 of the Statutes of 1978.

This bill would become operative in 1981-82 only if ACA 1 is approved by the voters.

This bill extends the homeowners' exemption to the full value of a dwelling when occupied by an owner or renter. The exemption would not apply to property which is vacant, under construction on the lien date, or which is a vacation or secondary home of the owner(s). It would also repeal the \$37 renters' credit, and increase the state sales tax to six percent.

#### SB 7

Author: Smith

Action: Introduced

Date: December 4, 1978

Affected References: Would repeal Section 219 of the R&T Code (other revisions not related to property taxes)

Urgency Measure

This bill would increase the business inventory exemption to 100 percent of the assessed value of business inventories for the 1979-80 fiscal year and thereafter, and would provide that such property shall not be assessed after June 30, 1979.

SB 54

Author: Dills

Action: Introduced

Date: December 5, 1978

Affected Reference: Section 219, R&amp;T Code; Section 16113, Government Code

This bill would exempt business inventories from property taxation on and after the lien date in 1980.

SB 17

Authors: Holmdahl, Nejedly, and Petris

Action: Introduced

Date: December 4, 1978

Affected Reference: Amends Section 110.1, R&amp;T Code

Urgency Measure

This bill provides that "if property was appraised for the 1975-76 fiscal year, the full cash value of such property, as of the lien date in 1975, shall be deemed to be the full cash value of such property as indicated on the tax bill with regard to such property for the 1975-76 fiscal year."

In addition, for property not appraised, "full cash value" would mean the reappraised value of such property "at 1975-76 tax levels."

SB 59

Author: Nejedly

Action: Introduced

Date: December 5, 1978

Affected Reference: Amends Section 33670, Health and Safety Code

This bill would require recomputation of the base assessment roll for redevelopment projects utilizing tax-increment financing, where the final redevelopment plan was approved on or after March 1, 1975, but prior to March 1, 1978. Under such recomputation, properties would be assessed for purposes of the base year assessment roll in the same manner as specified in Article XIII A.

AB 15

Author: Roos

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 4, 1978

Affected References: Amends Section 17053.5 and adds Sections 107.5 and 2188.6 to the Revenue and Taxation Code.

This bill would include as a possessory interest an interest in real property which is rented for residential purposes. Each such interest would be separately assessed and taxed on the basis of the proportion that the rent for the individual unit bears to the total rent for all units in the dwelling. The landlord would collect the taxes as an agent of the tax collector. Renters who itemize their deductions on their income tax returns could include the property tax payment as a deduction; for those claiming the standard deduction, the renter's credit would be increased to \$70.

Under the provisions of this bill, the assessors would be required to reassess all real property rented for residential purposes and mail notices of such assessments to all landlords and renters.

AB 61

Author: Cline

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 5, 1978

Affected References: Section 219, R&T Code and amends other codes which refer to the business inventory exemption.

Urgency Measure

This bill would increase the business inventory exemption in the following manner:

1979-80	50 percent
1980-81	70 percent
1981-82	80 percent
1982-83	90 percent
1983-84 and thereafter	100 percent, with assessment no longer required

AB 66

Author: Lockyer et al

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 5, 1978

Affected References: Section 219, R&T Code (other revisions not related to property taxes).

Urgency Measure

This bill would exempt 100 percent of the assessed value of business inventories from property taxation for the 1980-81 fiscal year and thereafter.

This bill would also subject some currently exempt items to the sales and use tax, and would make changes in bank and corporation taxation.

AB 115

Author: Vicencia

Action: Introduced, referred to Committee on Revenue and Taxation.

Date: December 8, 1978

Affected References: Section 16113, Government Code; Section 219, R&amp;T Code.

This bill would exempt business inventories from property taxation on and after the 1980 lien date.

SB 54

Author: Dills

Action: Introduced

Date: December 5, 1978

Affected References: Section 16113, Government Code; Section 219, R&amp;T Code.

This bill would fully exempt business inventories from property taxation on and after the 1980 lien date.

AB 71

Author: Lockyer

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 5, 1978

Affected References: numerous sections of several codes dealing with various tax credits, deductions, exemptions, etc.

This bill is basically a "sunset" measure which would eliminate various exemptions, deductions, etc., over the next several years if the Legislature does not enact bills to continue their existence.

The following sections of the R&T Code relating to property taxes would be repealed (dates in paranthesis) under the provisions of this bill:

Section 130	(1/1/85) - vessels
Section 202.1	(1/1/85) - turf grass
Section 227	(1/1/85) - documented vessels
Section 232	(1/1/85) - cargo containers
Section 988	(1/1/85) - motion pictures
Section 991	(1/1/85) - baled cotton
Section 997	(1/1/85) - business records
Section 1152	(1/1/85) - aircraft
Section 5522	(1/1/85) - head-day tax
Section 5541	(1/1/85) - head-day tax
Section 5542	(1/1/85) - head-day tax
Section 5543	(1/1/85) - head-day tax
Section 5544	(1/1/85) - head-day tax

AB 94

Author: Willie Brown

Action: Introduced, referred to Committee on Revenue and Taxation

Date: December 6, 1978

Affected References: Amends Section 20505, R&amp;T Code.

Urgency Measure

This bill, dealing with property tax assistance and postponement for qualified owners and renters, adds the words "blind or" and deletes the word "totally" from the definition of disabled recipients. Such persons must meet the definition of disabled in Section 12050 of the Welfare and Institutions Code.

SB 98

Author: Zenovich

Action: Introduced

Date: December 13, 1978

Affected References: Amends Section 110.1, R&T Code.

This bill would specify that properties appraised for the 1975 lien date shall have as their "full cash value" the reappraised value of the property as determined at that time.

If the assessor now reappraises properties not worked in 1975, he may only consider data and information actually utilized in making appraisals and establishing values in the base year for comparable properties. He shall also take into account the values established for comparable properties reappraised for the 1975 lien date.